

A BILL

To authorize the Secretary of the Treasury to issue regulations to require that wages and salaries of Federal employees be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

3 **SHORT TITLE**

4 Section 1. This Act may be cited as the "Electronic
5 Funds Transfer Federal Salary Act".

6 **SAFE, ECONOMICAL, EFFECTIVE PAYROLL ADMINISTRATION**

7 Section 2. Section 3332 of title 31, United States
8 Code, is amended by striking subsections (a), (b), (c), (d),
9 and (e) and substituting the following subsections (a), (b),
10 (c), and (d) in lieu thereof:

11 "(a) In this section, "financial organization" means a
12 bank, savings and loan association, a credit union chartered
13 by the United States Government or a State, or a similar
14 institution.

15 "(b) (1) Notwithstanding any other provisions of law,
16 the Secretary of the Treasury may issue regulations requir-
17 ing that, where he determines it to be practicable, wages
18 and salaries of any or all employees of an agency be paid by

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1 electronic funds transfer or any other method determined by
2 the Secretary to be in the interest of economy or effective-
3 ness, with sufficient safeguards over the control of, and
4 accounting for, public funds.

5 "(2) Such regulations shall require covered employees
6 to designate the financial organization to receive
7 payments of their wages and salaries.

8 "(3) The head of each employing agency shall include in
9 certifications of payments of wages and salaries information
10 required by the Secretary about the financial organization
11 chosen by the agency's employees.

12 "(4) The Secretary shall not charge financial organiza-
13 tions any fees in connection with payments made in accord-
14 ance with this section.

15 "(5) Financial organizations shall not charge agency
16 employees for handling payments made in accordance with this
17 section.

18 "(6) The Secretary may, upon request by an employee who
19 was employed by the United States Government on the
20 effective date of this section and whose annual rate of
21 basic pay is less than twenty thousand dollars, exempt such
22 employee from the requirements of this section.

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1 "(7) Nothing in this Act shall impair or affect the
2 provisions of Section 102(d)(3) of the National Security Act
3 of 1947, as amended, or Section 6 of the CIA Act of 1949,
4 as amended. The Director of the Central Intelligence
5 Agency or his designee may exempt the Central Intelligence
6 Agency and any of its employees from regulations issued
7 pursuant to subsection(b)(1) and the requirements of
8 subsection(b)(3), when it is determined that compliance
9 would risk disclosure of intelligence sources and methods
10 or compromise the security of foreign intelligence or
11 counterintelligence activities.

12 "(c) Payment of an amount by the United States by
13 methods authorized pursuant to subsection (b) or (d) of this
14 section, and accepted by a financial organization, shall
15 constitute full acquittance of the United States for that
16 amount.

17 "(d) On the written request of a person to whom payment
18 of other than wages and salaries is to be made, the payment
19 may be made using any method authorized by the Secretary
20 pursuant to this section."

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1 Section 3. Section 3332 of title 31, United States
2 Code, is further amended by redesignating subsection (f) as
3 subsection (e) and by striking "The" in the first sentence
4 of subsection (e) (as so redesignated) and inserting in
5 lieu thereof "Notwithstanding subsection (b) (1) of this
6 section, the".

7

EFFECTIVE DATE

8 Section 4. This Act shall become effective on October
9 1, 1989.